

FISCAL NOTE

HB 2174 - SB 2120

January 20, 2004

SUMMARY OF BILL: Lowers the ACT/SAT scores that graduates from a Tennessee home school, or a Tennessee high school that is not an eligible high school, must receive in order to qualify for a Tennessee Education Lottery Scholarship to make these scores uniform with the respective scores that are required of eligible high school graduates. This bill would lower the required ACT score to 19 and the required SAT score to 890.

Under current law, to be eligible for a Tennessee HOPE scholarship, a student who completes high school in a Tennessee home school program, or graduates from a high school located in Tennessee that is not an eligible high school, must attain a composite ACT score of at least 23 on any single ACT test date or a combined SAT score of at least 1060 on any single SAT test date.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Increases the expenditure of lottery funds earmarked for scholarships and grants by \$3,698,000 in FY2004-05 and \$5,390,000 in FY2005-06.

Estimate assumes:

- The bill would increase the number of first-time freshmen by 1092 students who would receive the \$3000 scholarship. This represents the number of 2004 graduates of high schools that are not eligible high schools who received an ACT score between 19 and 22 or an SAT score between 980 and 1060.
- In addition, an estimated 422 students who have income under \$36,000 would be eligible to receive a \$1,000 need-based supplemental award in FY2004-05.
- An estimated 1592 students (includes freshmen and sophomores) would be eligible to receive a \$3000 scholarship during FY2005-06. This is based upon a projected scholarship retention of 46%. Of this number, an estimated 614 would likely be eligible for the \$1,000 need-based supplemental award in FY2005-06.
- It is estimated that most of the increase in expenditures of lottery funds results from those students who graduate from non-accredited high schools and not from the addition of home school students. Since the number of home school students who graduate each year is relatively small, the original cost projections of the lottery scholarship program included home school students.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director